

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 084069

66

ORIGIN EB-03

INFO OCT-01 ISO-00 /004 R

66616

DRAFTED BY EB/ITP:MWGLITMAN

APPROVED BY EB/ITP:MWGLITMAN

----- 106529

O R 120134Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY BONN IMMEDIATE

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

LIMITED OFFICIAL USE STATE 084069

FOLLOWING REPEAT BRUSSELS 3270 -ACTION SECSTATE INFO MOSCOW

PARIS DATED 11 APR 75

QUOTE

LIMITED OFFICIAL USE EC BRUSSELS 3270

MOSCOW FOR SEC. SIMON

PARIS FOR UNDER SEC. ROBINSON

PASS STR FOR AMB. DENT, AGRICULTURE FOR YEUTTER, TREASURY

FOR MACDONALD

E.O. 11652: N/A

TAGS: ETRD, EEC

SUBJECT: EC CHEESE COUNTERVAILING PROBLEM

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 084069

REF: A) EC BRUSSELS 3041

B) EC BRUSSELS 3042

1. AT THE END OF THE AFTERNOON, APRIL 11, THE COMMISSION GAVE US A LETTER WHICH CONSTITUTES A FORMAL REPLY TO THE PROPOSALS REGARDING THE CHEESE PROBLEM PRESENTED TO THE COMMISSION BY USEC DCM MYERSON ON APRIL 5 (REFTELS). THE TEXT OF THE LETTER IS AS FOLLOWS:

BEGIN TEXT:

DEAR MR. MYERSON,
I REFER TO THE RECENT CONTACTS BETWEEN THE US ADMINISTRATION AND THE COMMISSION OF THE EUROPEAN COMMUNITIES CONCERNING THE COMMUNITY'S EXPORT REFUNDS ON CHEESE DESTINED FOR THE US MARKET, AND PARTICULARLY TO THE MESSAGE WHICH, ON INSTRUCTIONS, YOU CONVEYED TO THE COMMISSION ON 5 APRIL 1975.

AS WE SEE IT, THE POSITION IS THAT THE COMMISSION'S PROPOSALS CONVEYED TO MR. YEUTTER AND HIS COLLEAGUES ON 26 MARCH 1975 ARE ACCEPTABLE TO THE US IN ALL BUT ONE RESPECT. INSTEAD OF THE 12 PERCENT PRICE GAP AND MONITORING SYSTEM FOR COMMUNITY EMMENTHAL AND BRUYERE EXPORTS, THE US ADMINISTRATION PREFERS THAT THE EXPORT REFUND FOR THESE CHEESES SHOULD SIMPLY BE SUSPENDED.

WE FURTHER UNDERSTAND THAT A PRINCIPAL OBJECTION OF THE US AUTHORITIES TO THE PRICE GAP AND MONITORING PROPOSAL IS THE PRACTICAL ONE THAT, IN THEIR EYES, IT WOULD BE DIFFICULT TO IMPLEMENT.

I AM THEREFORE INSTRUCTED TO CONFIRM IN WRITING THAT, AS ALREADY INDICATED ORALLY TO SECRETARY DENT BY SIR CHRISTOPHERE SOAMES, THE COMMISSION NOW WISHES, IN REGARD TO EMMENTHAL AND BRUYERE, TO PUT TO THE US ADMINISTRATION A NEW PROPOSAL, WHICH IT BELIEVES WILL SATISFY US REQUIREMENTS.

THE COMMISSION IS READY TO PUT INTO EFFECT ON A COMMUNITY BASIS A SERIES OF MEASURES WHICH WOULD ESTABLISH A DISTINCTION BETWEEN EMMENTHAL AND GRUYERE CHEESE OF HIGHER QUALITY (INTENDED FOR CONSUMPTION AS "TABLE CHEESES") AND OF LOWER QUALITY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 084069

(SUITABLE FOR PROCESSING). EXPORT REFUNDS WOULD BE PAID ONLY ON THE HIGHER QUALITY, UNDER THE POLICY PURSUED BY THE COMMUNITY SINCE 6 FEBRUARY 1975, A POLICY WHICH REMAINS UNCHANGED. NO EXPORT REFUNDS WHATSOEVER WOULD BE PAID ON THE LOWER QUALITY.

THE MEASURES ESTABLISHING THE DISTINCTION BETWEEN THE TWO QUALITIES OF CHEESE WOULD BE AS FOLLOWS:

(I) INTRODUCTION OF A QUALITY CERTIFICATE FOR HIGHER QUALITY EMMENTHAL AND GRUYERE TABLE CHEESES, ON THE BASIS OF THE RULES ALREADY OPERATED BY THE COMMUNITY'S MEMBER STATES. FOR EXAMPLE, IN FRANCE THE CERTIFICATE WOULD BE GRANTED ON QUALITIES A AND B; IN THE FEDERAL REPUBLIC OF GERMANY; ON QUALITIES "MARKENWARE" AND "KLASSENFEIN".

(II) EACH MEMBER STATE WOULD DESIGNATE AS APPROPRIATE BODY TO ISSUE THE CERTIFICATE AND CARRY OUT THE NECESSARY TECHNICAL SURVEILLANCE;

(III) THE QUALITY CERTIFICATE WOULD BE COUNTER-SIGNED BY THE CUSTOMS AUTHORITIES WHEN THE GOODS ARE EXPORTED FROM THE COMMUNITY. PAYMENT OF EXPORT REFUNDS WOULD BE EFFECTED ONLY ON PRESENTATION OF THE QUALITY CERTIFICATE THUS COUNTER-SIGNED.

I AM INSTRUCTED BY THE COMMISSION TO EXPRESS THE HOPE THAT THE FOREGOING PROPOSAL FOR EMMENTHAL AND GRUYERE WILL BE ACCEPTABLE TO THE US ADMINISTRATION. IF YOU ARE ABLE TO CONFIRM THIS, I SHALL BE HAPPY TO DISCUSS WITH YOU THE APPROPRIATE MODIFICATIONS TO THE DRAFT OF THE LETTER WHICH MR. LARDINOIS WOULD BE READY TO ADDRESS TO AMBASSADOR GREENWALD IN CONFIRMATION OF THE OVERALL PACKAGE. IT WILL ALSO BE NECESSARY FOR US TO DISCUSS THE DETAILED CONTENTS OF ANY WAIVER NOTICE WHICH THE US TREASURY MAY WISH TO MAKE PUBLIC.

YOURS SINCERELY,

(T. HIJZEN) DEPUTY DIRECTOR GENERAL.
END TEXT.

2. ON PRESENTING THE LETTER TO US, COMMISSION OFFICIALS ASSURED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 084069

US THAT THEY ARE ACTIVELY WORKING TO SET UP THE QUALITY CERTIFICATION SYSTEM.

3. THEY ALSO STATED IN EXPLANATION OF THE LAST SENTENCE OF THE LETTER, THAT THEY HAVE NOT YET GIVEN FORMAL APPROVAL TO THE LIST PROVIDED THE COMMISSION OF CHEESE CATEGORIES REGARDING WHICH THE COUNTERVAILING DUTIES MIGHT BE WAIVED. THEY FEEL THAT THIS LIST SHOULD BE JOINTLY VERIFIED BY THE U.S. AND THE EC AND AGREED TO BY THE TWO SIDES; THEY THINK THIS COULD BE DONE NEXT WEEK. GREENWALD

UNQUOTE
KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHEESE, POLICIES, EXPORTS, COUNTERVAILING DUTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE084069
Document Source: CORE
Document Unique ID: 00
Drafter: MWGLITMAN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750127-0923
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750455/aaaabzbt.tel
Line Count: 166
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 EC BRUSSELS 3041
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 APR 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC CHEESE COUNTERVAILING PROBLEM LIMITED OFFICIAL USE
TAGS: ETRD, EPAP, EEC
To: BONN MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006